Owens Corning (OC)

Updated June 2nd, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$120	**5 Year Annual Expected Total Return:**	5.4%	**Market Cap:**	$9.87 B
Fair Value Price:	$85	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	07/21/26[1]
% Fair Value:	142%	**5 Year Valuation Multiple Estimate:**	-6.8%	**Dividend Payment Date:**	08/07/26[2]
Dividend Yield:	2.6%	**5 Year Price Target**	$136	**Years Of Dividend Growth:**	11
Dividend Risk Score:	B	**Sector:**	Industrial	**Rating:**	Hold

Overview & Current Events

Owens Corning (OC), a global company, produces and sells insulation, roofing, and fiberglass materials across diverse markets. Operating in Composites, Insulation, and Roofing segments, it manufactures and sells glass reinforcements, fiber products, thermal insulation, foam sheathing, roofing shingles, and components used in construction and various industries. Its wide distribution network directly supplies manufacturers, installers, retailers, and distributors.

On May 6th, 2026 the company announced its Q1 2026 results. Owens Corning reported Q1 non-GAAP EPS of $1.22, which beat market estimates by $0.26.

Owens Corning reported first-quarter 2026 net sales from continuing operations of $2.3 billion, down 10% year over year, reflecting softer market conditions across its Roofing, Insulation, and Doors businesses. Net earnings attributable to the company from continuing operations declined to $38 million, while adjusted EBITDA totaled $369 million, representing a margin of 16%. Despite lower volumes and challenging end-market demand, management highlighted resilient profitability driven by commercial execution, operational discipline, and structural improvements implemented over recent years. Roofing revenue decreased to $960 million, Insulation revenue declined to $867 million, and Doors revenue fell to $475 million, with all three segments experiencing lower earnings compared with the prior-year period.

During the quarter, Owens Corning completed the sale of its glass reinforcements business, advancing its transformation into a more focused branded building products company. The transaction is expected to generate approximately $280 million in cash proceeds, with additional cash anticipated from excess alloy sales over the next year. Management plans to deploy proceeds toward organic growth initiatives and shareholder returns. Looking ahead, the company expects continued pressure in residential new construction and remodeling markets, while non-residential construction activity remains stable. For the second quarter of 2026, Owens Corning forecasts revenue of approximately $2.6 billion to $2.7 billion and adjusted EBITDA margins of 20% to 22%, supported by its strengthened operating model and leading market positions.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.41	$2.55	$4.89	$3.68	($3.53)	$9.54	$12.70	$13.27	$7.37	($6.21)	***$9.39***	***$15.12***
DPS	$0.74	$0.81	$0.85	$0.90	$0.98	$1.13	$1.57	$2.16	$2.49	$2.86	***$3.16***	***$4.64***
Shares[3]	115.4	113.2	111.4	110.1	108.6	104.3	97.7	91.0	87.8	84.0	***81.1***	***68.1***

For the company's EPS estimate for 2026, we have used the midpoint of analysts' estimates at $9.39, and with a 10.0% annual growth through 2031, it leads to our estimated EPS of $15.12. Moreover, the company has a solid record of paying dividends despite operating in an industrial sector, as Owens Corning has paid increasing dividends for the past 11 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 8.0%, leading to a dividend of $4.64 in 2031.

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.6	27.7	13.0	15.4	-17.0	9.6	6.9	9.1	23.5	--	***12.8***	***9.0***
Avg. Yld.	1.5%	1.1%	1.3%	1.6%	1.6%	1.2%	1.8%	1.8%	1.4%	2.0%	***2.6%***	***3.4%***

Shares of the building products manufacturer trades at a forward P/E of 12.8, lower than the long-term average P/E of 11.4, but well above the five-year average P/E of 12.3. Even though the stable volumes and demand will benefit the company in the near term, we assign a P/E of 9.0 to the stock, which is a fair reflection of its value, in our opinion. Accordingly, with an EPS of $15.12 and P/E of 9.0, our target price for the stock stands at $136 by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

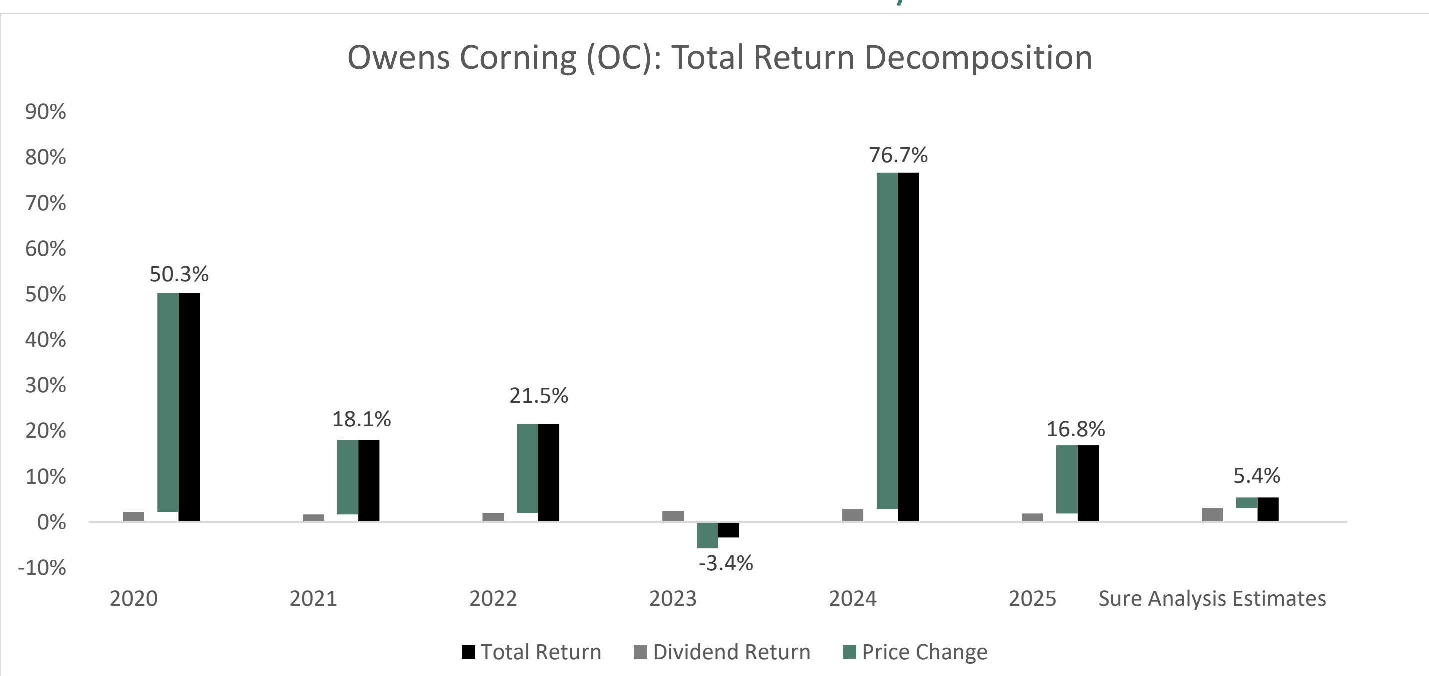
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22%	32%	17%	24%	-28%	12%	12%	16%	34%	-46%	***34%***	***31%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging just 17%, and we expect the company to maintain its payout around these levels in the future. The demand for the company's product has been stable in recent quarters, and we expect the company to be in a much better position in the future than it is today. The company aims to balance long-term shareholder value through dividends, share repurchases, strategic investments, and financial discipline. In Q1 Owens Corning repurchased $150 million of its common stock under its existing share repurchase authorization, reflecting management's confidence in the company's long-term earnings power and cash generation capabilities.

Final Thoughts & Recommendation

With elevated rates and geopolitical risks, Owens Corning faces potential revenue headwinds despite strong margins and capital discipline. While its realignment supports long-term stability, valuation concerns persist. We maintain our hold rating premised upon 5.4% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 10.0%, the 2.6% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,677	6,384	7,057	7,160	7,055	8,498	9,761	9,677	10,980	10,100
Gross Profit	1,377	1,569	1,632	1,609	1,610	2,217	2,616	2,683	3,254	2,883
Gross Margin	24.3%	24.6%	23.1%	22.5%	22.8%	26.1%	26.8%	27.7%	29.6%	28.5%
SG&A Exp.	584	620	700	698	664	757	803	831	1,044	1,014
D&A Exp.	343	371	433	457	493	502	531	609	677	694
Operating Profit	697	797	807	787	806	1,438	1,584	1,623	1,701	1,720
Op. Margin	12.3%	12.5%	11.4%	11.0%	11.4%	16.9%	16.2%	16.8%	15.5%	17.0%
Net Profit	393	289	545	405	(383)	995	1,241	1,196	647	(188)
Net Margin	6.9%	4.5%	7.7%	5.7%	-5.4%	11.7%	12.7%	12.4%	5.9%	(1.9%)
Free Cash Flow	570	679	266	590	828	1,087	1,314	1,193	1,245	962
Income Tax	188	269	156	186	129	319	373	401	275	293

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,741	8,632	9,771	10,006	9,481	10,015	10,752	11,240	14,080	12,980
Cash & Equivalents	112	246	78	172	717	959	1,099	1,615	361	353
Accounts Receivable	678	806	794	770	919	939	961	987	1,244	937
Inventories	710	841	1,072	1,033	855	1,078	1,334	1,198	1,587	1,472
Goodwill & Int. Ass.	2,474	2,867	3,728	3,653	2,656	2,607	2,985	2,920	5,531	4,214
Total Liab.	3,852	4,428	5,447	5,335	5,540	5,680	6,131	6,027	8,955	9,087
Accounts Payable	615	834	851	815	875	1,095	1,345	1,216	1,430	1,257
Long-Term Debt	2,102	2,405	3,362	2,986	3,126	2,960	2,992	3,046	5,154	5,572
Total Equity	3,849	4,162	4,283	4,631	3,901	4,296	4,575	5,166	5,077	3,853
LTD/E Ratio	0.55	0.58	0.79	0.64	0.80	0.69	0.65	0.59	1,015	1.48

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.2%	3.5%	5.9%	4.1%	-3.9%	10.2%	12.0%	10.9%	5.1%	-1.4%
Return on Equity	10.4%	7.2%	12.9%	9.1%	-9.0%	24.3%	28.0%	24.3%	12.5%	-4.2%
ROIC	6.8%	4.6%	7.6%	5.3%	-5.2%	13.9%	16.6%	15.1%	7.0%	-1.9%
Shares Out.	115.4	113.2	111.4	110.1	108.6	104.3	97.7	91.0	87.8	84.0
Revenue/Share	49.19	56.40	63.35	65.03	64.96	81.48	99.91	106.34	125.00	120.27
FCF/Share	4.94	6.00	2.39	5.36	7.62	10.42	13.45	13.11	14.18	11.45

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.